

**FACT SHEET - #9a**

SUBJECT: Private Insurance (Renters/Movement)

1. PURPOSE. To inform commanders why soldiers should purchase private renters and movement insurance.

2. FACTS.

a. Frequently, soldiers mistakenly believe the Army insures them for all losses of personal property and household goods that occur as a result of their military service. For example, some soldiers incorrectly think the Army will pay for all losses resulting from the shipment of their household goods. The coverage for such losses is limited and rarely provides soldiers with complete compensation. For example, if a soldier arrives at a new duty station and realizes that his \$5,000 stereo system and all his children's toys are missing, he may not be satisfied with the amount which regulations permit an Army Claims Office to pay. He could only be paid a little more than half the believed value of these items. The Claims Office must apply regulatory depreciation and payment ceilings that reduce the ultimate payment to the soldier.

b. The foregoing limitations spring from the original intent of the Personnel Claims Act. It was never intended to be a substitute for private insurance or to benefit private insurers.

c. Military families, even those that live on post, should take advantage of private insurance policies to cover their possessions from fire, flood, theft, vandalism, and unusual occurrences. Such insurance is relatively inexpensive and provides a great peace of mind. A key element of private insurance is the policyholder's ability to get replacement value coverage. This type of coverage allows the policyholder to demand the current full value of his damaged property.

d. An added bonus for the prudent soldier with private insurance is that once he exhausts all his private insurance coverage, he may then file a claim with the Army for the remaining uncovered losses. Because most of his losses were covered by a private insurer, the remaining losses may be covered by his Army claims benefit.

3. POC is the Claims Office at 4-6913.

VINCENT C. NEALEY  
Chief, Administrative Law Division